Overseas Development Institute

Background Note

August 2012

The UK's private climate finance support: mobilising private sector engagement in climate compatible development

By Shelagh Whitley, Amal-Lee Amin and Rohan Mohanty

At the UN Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) in Copenhagen in 2009 (COP15), developed countries committed to mobilise long-term climate finance to address the needs of developing countries until 2020. The Copenhagen Accord suggested that this 'funding will come from a wide variety of sources, public and private'. The High Level Advisory Group on Climate Change Financing (AGF) to the UNFCCC (among others) has since emphasised the need to mobilise private sector finance – a response, in part, to the scarcity of public resources (UNFCCC, 2010 and AGF, 2010). This paper maps some of the different ways in which public finance from the United Kingdom is mobilising private investment in climate compatible development, and identifies some early emerging trends.

The paper does not comment on the extent to which the UK is meeting its commitments under the UNFCCC. Instead, it highlights some considerations that need to be addressed if developed countries intend to report private finance as part of their overall climate finance commitments over time. While we have aimed to be comprehensive in our review, this paper is based on desk research and information that is publicly available on activities that mobilise the private sector and support climate compatible development. This breadth of sources is essential as there is, at present, no formal requirement for developed countries to report contributions that come from the private sector. The paper concludes by drawing out some lessons from the early mobilisation of UK funding that are relevant to climate compatible development.

It finds that the UK has a number of interventions through which it is supporting private sector action on climate change. Many of these are managed by intermediaries, with variations in their approaches to public reporting on goals and outcomes. Private equity firms, in particular, have disclosed little information to the public on the particular projects and recipients that they are financing. For UK interventions where project level information is disclosed, our review finds that, the majority of private finance climate support (PCFS) goes to climate change mitigation programmes and projects in upper middle-income countries.

What is private climate finance support?

Guidance on what may be considered as long-term climate finance under the UNFCCC can be found in a review of the wording of the Copenhagen Accord (and the subsequent Cancun Agreements) (Stadelmann et al., 2011). This suggests that long-term finance should be:

a. mobilised by developed countries
b. provided to developing country parties, taking into account the urgent and immediate needs of those that are particularly vulnerable to the adverse effects of climate change
c. balanced in allocation between adaptation and mitigation
d. committed in the context of transparency on implementation, and
e. scaled up, new and additional, predictable and adequate

The Overseas Development Institute is the UK's leading independent think tank on international development and humanitarian issues. **ODI Background Notes** provide a summary or snapshot of an issue or of an area of ODI work in progress. This and other ODI Background Notes are available from www.odi.org.uk

These provisions are, of course, subject to further negotiation and agreement by Parties to the UNFCCC. It is reasonable to expect, however, that future decisions on long-term finance, including on finance from private sources, will be guided to some degree by considerations (a) to (e), listed above. The purpose of this Background Note is to help build a more common understanding of the implications of these considerations for the mobilisation of private sector finance, and seeks to review Private Climate Finance Support (PCFS), which we define as *finance resulting from developed country interventions to mobilise private sector participation*[1] *in climate compatible development* (CCD) (Figure 1). For the purpose of reviewing developed country contributions of PCFS, we consider only (a) to (c), as there is less clarity on how to interpret criteria (d) and (e).

The paper reviews PCFS within the following contexts:

1. developed country public flows to the private sector in developing countries
2. developed country private flows to the private sector in developing countries mobilised as a result of developed country intervention
3. developed country private flows to the public sector in developing countries that are mobilised as a result of developed country intervention.

Our review did not consider:[2]

4. developing country private flows mobilised as the result of developed country public sector intervention
5. developed country private sector flows to developing countries independent of direct developed country public sector intervention (including those that may be more indirect as a result of policy level interventions).

The exclusion of flows 4 and 5 allows ease of attribution of the impact of PCFS, however we acknowledge that a focus on PCFS that can be linked directly to particular developed country interventions provides only part of the picture. There may, for example, be demonstration effects (and others) as a result of flows 1 to 3 that are not so attributable, directly, to a given contributor country. Finance may also be provided to support the enactment of enabling policies that drive investment in climate compatible development, which will also be critical in mobilising flows 4 and 5 at scale.

We also recognise that the five categories of financial flows that we have identified may be difficult to apply rigidly, given the global nature of a financial sector where developed and developing country-based actors are partnering increasingly on interventions. Nevertheless, these categories are helpful in understanding the range of different public and private finance flows that need to be considered, as they help to identify useful lessons that are relevant to the consideration of long-term funding.[3]

Review of the UK's private climate finance support

Following COP15, the UK pledged $2.4 billion in climate finance to be spent by the end of 2012, including a focus area that aims to 'create new partnerships with the private sector…to demonstrate to major investors that climate friendly investments are financially viable' (DFID, DECC, DEFRA, 2011). This paper considers the commitments made by the UK's Environmental Transformation Fund (ETF) and International Climate Fund (ICF) by the UK Department for International Development (DFID) the

Figure 1: Private climate finance support

Private climate finance support:

1. developed country public flows to the private sector in developing countries
2. developed country private flows to the private sector in developing countries mobilised as a result of developed country intervention
3. developed country private flows to the public sector in developing countries that are mobilised as a result of developed country intervention

Excluded:

4. developing country private flows mobilised as the result of developed country public sector intervention
5. developed country private sector flows to developing countries independent of direct developed country public sector intervention (including those that may be more indirect as a result of policy level interventions)

***also excludes other public co-financing**

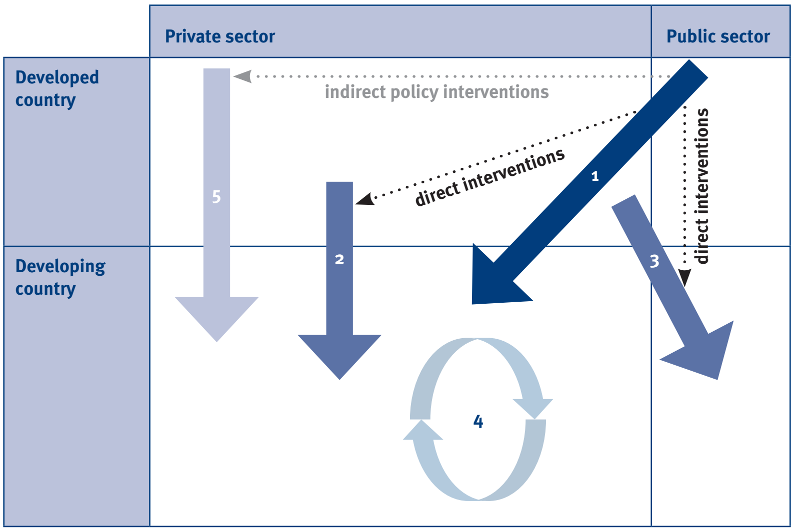

Table 1: Main actors in UK's Private Climate Finance Support (PCFS) between 2010 and 31 May 2012 (see Annex 1 for disaggregated figures)

Entity	Role	Number of activities identified	Aggregate PCFS (million $)
International Climate Fund (ICF) and Environmental Transformation Fund (ETF) International Window	The UK government has set aside a budget of £2.9 billion ($4.6 billion) for climate finance for the period 2011 to 2015, known as the International Climate Fund (ICF). Three UK government departments are collaborating within the ICF: the Department for International Development (DFID), the Department of Energy and Climate Change (DECC), and the Department for Environment, Food and Rural Affairs (DEFRA). Before the establishment of the ICF, the UK Government's Environmental Transformation Fund (ETF) International Window represented the UK's first dedicated climate finance mechanism. Managed by DFID and DEFRA/DECC between 2008 and 2011, the ETF channelled funds primarily through the Clean Technology Fund (CTF) managed by the World Bank.	5	762
CDC Group Plc. (CDC)	CDC is the UK's Development Finance Institution (DFI) (formerly known as the Commonwealth Development Corporation), and is wholly owned by DFID. CDC has not received new funding from DFID since 1995. In 2011, CDC announced a new high-level business plan, with a smaller geographic remit focused on low-income countries (LICs) and lower middle-income countries (LMICs) in sub-Saharan Africa and South Asia (with the specific exclusion of new investments in China, South East Asia and Latin America). CDC has, historically, been a fund-of-funds investor, investing in private equity (PE) funds. Under the new business plan CDC will also provide debt, direct investment and guarantees to businesses in these regions.	4	107
Department for International Development (DFID)	A number of programmes that support private action to address climate change were supported by DFID prior to the establishment of the ICF. These include the Global Village Energy Partnership, the Africa Enterprise Challenge Fund, the Micro Insurance Catastrophe Risk Organisation, and the Indonesia Green Investment Fund.	6	37
Total		**15**	**906**

Department of Energy and Climate Change (DECC) and the Department of Environment, Food and Rural Affairs (DEFRA); as well as those of the CDC (formerly the Commonwealth Development Corporation); and other DFID projects that also supported private investment in climate compatible development (Table 1) between January 2010 and end May 2012.

The paper does not review core funding provided by the UK to multilateral actors including the World Bank, International Finance Corporation (IFC), the Regional Development Banks, Global Environment Facility (GEF), and the European Commission. However, the paper does review several initiatives that have focus on the mobilisation of the private sector that are multilateral in nature, given the UK Government's lead role in their establishment. The most important of these is the Clean Technology Fund (CTF) of the Climate Investment Fund,[4] which was conceived initially by the UK during the Gleneagles G8 Summit in 2005[5] as a source of concessional finance that would help leverage resources from the Multilateral Development Banks (MDBs) to support clean energy objectives. While the CTF provides a variety of different forms of finance that are broader than PCFS, the objective that is of particular interest to this paper is its specific objective to scale up public and private investment in low carbon projects and programmes that are embedded within a national climate plan or strategy (see Annex 1, intervention 1).

Table 2: Summary statistics – the UK's Private Climate Finance Support (PCFS) (as of 31 May 2012)

Metric	Values
Total PCFS identified (see Annex 1 for specific interventions)	$906 million
PCFS provided by: Public sector Private sector	 72% 28%
PCFS by UK financial instrument: Capital Grant to multilaterals (see Annex 1 intervention 1) Equity Grant	 61% 31% 8%
PCFS by level of development of recipient: Upper middle-income countries (UMICs) Lower middle-income countries (LMICs) Low-income countries (LICs) Information not available	 48% 18% 7% 27%
PCFS by targeted climate activity: Mitigation Multiple goals Forestry Adaptation	 81% 13% 6% <1%
PCFS by sector: Renewable Energy (RE) / Energy Efficiency (EE) Climate change (general and unspecified) Forestry Finance (insurance)	 66% 28% 6% <1%
PCFS destination: Privately-owned recipient Information not available Mix of public, private and not-for-profit	 74% 23% 3%

Table 3: The UK's PCFS measured against the UNFCCC considerations for climate finance

Considerations for climate finance	Implications for PCFS
(a) Mobilised by developed countries	There is, as yet, no definition of the term 'mobilised' under the UNFCCC agreement. We have, however, attempted to review public flows to the private sector, and the resulting private flows that can be attributed most directly to those public flows. The distinction between private sector actors and flows as 'developed' vs. 'developing' is not straightforward, as the country of origin for a private sector actor could be determined by any number of factors including: country of incorporation / registration, location of headquarters, or primary stock exchange listing. For the purpose of this study we have used the country of location of primary headquarters. Most of the PCFS identified is from the UK public sector (72%). There are also contributions from a wide range of 'developed country private sector actors' including Barclays (UK), Swiss Re (Switzerland), Calvert Investments (US), Guy Carpenter and Company (US), Tryg (Denmark), PFA Pension (Denmark), and Sarona Asset Management (Canada) (see Annex 1, interventions 8, 9, 12, 13 and 14). In the majority of cases, the specific level of funding provided by these private actors could not be identified. Private funding from 'developing country actors' has also been identified, including $550 million from TSKB (Turkey), $110 million from Bancolombia (Colombia), and $4.6 million from Standard Bank (South Africa) (see Annex 1, interventions 1 and 12) However, these contributions to low carbon development have been excluded from the calculation of PCFS as per Figure 1.
(b) Provided to developing country parties, taking into account the urgent and immediate needs of those that are particularly vulnerable to the adverse effects of climate change	The definition of those countries 'particularly vulnerable to the adverse effects of climate change' has not been agreed under the UNFCCC. It is anticipated, however, that all of the recipients of the UK's PCFS will be located in developing countries. Reviewing the interventions with specific country level mandates, the UK's PCFS is found to be directed primarily to upper middle-income countries (UMICs) (48%), then toward LMICs (18%) and finally to LICs (7%). However, we could not identify the specific recipient countries (and relevant income levels) for 27% of identified PCFS, as a number of the PE funds have not reached financial close, have regional or global mandates, and/or are not providing the project or investment level information required to assess investments against this criteria.
(c) Balanced in allocation between adaptation and mitigation	The concept of 'balanced in allocation' has not been defined under the UNFCCC agreements, and it is not clear if this balance should be achieved at the global level, at the donor or recipient country level, or across specific types of finance. However, the UK's PCFS interventions are targeted primarily toward mitigation[6] (81%) and forestry (6%), with less than 1% targeted specifically to adaptation. A number of funds have not reached financial close, or do not disclose the specific underlying companies and projects that have received investment. As a result, a more detailed analysis is not possible for 13% of PCFS that could include investments in adaptation.

An analysis of the activities of the actors highlighted in Table 1 over the initial period from 2010 to the end of May 2012 has identified a number of interventions to mobilise the private sector that climate compatible development as a primary or secondary goal. Information was reviewed to gain an understanding of the developed country private finance flows mobilised, where any private sector flows could be linked explicitly to public flows. The list of projects and programmes identified, and their associated levels of funding, are presented in Annex 1, which identifies just over $906 million in PCFS. The findings provide insights into the way the UK is working with the private sector toward low carbon development, and reveal trends that may be relevant to the consideration of long-term finance commitments until 2020.

Financing through intermediaries

A striking trend that emerges in the review of the PCFS interventions in Annex 1 is that all of the UK's support is channelled through interventions that are managed by third party intermediaries, and blended with other public and private sources of funds. Many of the funds and partnerships to which the UK is contributing are still looking for additional funding. So, while the UK's average contribution (25%) is significant, relative to that pledged or committed by other public funders and developed country private sector actors at present, the UK's average contribution is very small (5%) in relation to the stated target size of these interventions (Table 4). The intermediaries identified often use a range of financial instruments that is broader than that provided by the UK. For example, while the UK tends to provide capital grants (Table 2), the intermediaries often provide a mix of equity, grants, loans and guarantees (Table 4).

The UK has a long history of working through intermediaries, including multilateral organisations. A recent Multilateral Aid Review (MAR) by DFID confirmed that the UK's use of the multilateral system complements the country's bilateral activities through the mobilisation of large-scale funding, bringing in specialist expertise and support for innovation, and provide a platform for action in every country worldwide (DFID, 2011a). Using intermediaries can, therefore, be seen as particularly beneficial in terms of combining the UK's PCFS with that of other funders, deploying it across a diversity of instruments and countries, and maximising value for money for the UK. However, this use of intermediaries also brings into question the influence that the UK has in terms of matching instruments to specific barriers and country contexts, selecting underlying investments, on-going management of projects, and the monitoring of impacts and results.

The MAR also emphasised that there 'is still much room for improvement for the multilaterals as a group on transparency and accountability' (DFID, 2011a).

In terms of specific intermediaries, the majority of the UK's PCFS is (or will be) channelled through the CTF (61%) (see Annex 1, intervention 1), and a range of private equity (PE) funds (18%). The PE funds supported by the UK Government do not all have climate compatible development as a goal, but they are funds that pool resources from a number of investors to make investments (primarily in equity) in companies that are not listed on a stock exchange.

Table 4: Role of intermediaries and other public sources of finance in the UK's PCFS (as of 31 May 2012)

Metric	Values
Average contribution of UK PCFS in relation to identified funds mobilised to date by intermediary (including private and other public sources)	25%
Average contribution of UK PCFS in relation to identified target fund size of intermediary (including private and other public sources)	5%
PCFS by type of intermediary:	
Public or Not for Profit	66%
Private	25%
To be determined	9%
PCFS by instrument used by intermediary:	
Mix	77%
Equity	18%
Grant	3%
Guarantee	1%
Insurance	‹1%

The intermediaries used to deploy the UK's PCFS have different implications for the level of UK influence over the selection of the underlying investments/ projects, and the level of information that is disclosed about the final recipients of funds. In the case of public trust funds such as the CTF, the UK has an on-going influence on investment decisions as a member of the CTF Trust Fund Committee, and there is a significant amount of information that is publicly available on the specific underlying projects and investments of the fund and the contributions of co-financiers.

In the case of PE funds, the influence of the UK's public sector actors appears to be limited to the selection of fund type and fund managers, and to the initial design phase/mandate of the fund.[7] This is exemplified in the case of the CDC's investment in the GEF Africa Sustainable Forestry Fund (GEF ASFF) (see Annex 1, intervention 6), where it appears the UK (among other investors) shaped the decision to certify all projects against the standards of the Forestry Stewardship Council (FSC), and to apply the IFC Performance Standards on Environment and Social Sustainability. However, now that the GEF ASFF has closed, there is no information that is publicly available on the CDC's on-going role in selecting the underlying companies and investments, nor is there information available on the specific companies that have received investment through the GEF ASFF, or the levels of funding provided by other fund participants. For the majority of PE funds, investment selection and the publication of investment decisions are at the discretion of the fund manager (intermediary). Any specific arrangements between the fund manager and CDC would be contained within limited partnership agreements that are not publicly available.

This distinction between intermediaries may be relevant for the ICF as it explores options to channel more UK PCFS through PE funds. This is happening under two new commercial funds announced in 2012: the CP3 Asia Fund and the IFC Advanced Markets Commitments (AMC) Climate Catalyst Fund (CCF), together the Climate Public Private Partnership or CP3 Programme, with UK as an anchor investor alongside the Asian Development Bank (ADB) and IFC respectively (see Annex 1, interventions 2 and 3).

Historically, most of the PCFS deployed by the UK through PE funds has been invested by DFID through the CDC. Since 2004, the CDC has been operating as a PE fund of funds as part of DFID's programme to promote international development and the reduction of poverty. While the CDC does not have an explicit mandate for low carbon development, it has invested in a number of funds and underlying companies that have a low carbon development focus. A review of the CDC's most recent summary of investee businesses from May of 2011 identifies 30 businesses that are active in renewable energy, waste and water treatment, and efficient fossil fuel based generation (CDC, 2011a). The majority of these companies are located in China and India, with some companies located in LICs and LMICs such as Côte d'Ivoire, Honduras, Kenya, Morocco, the Philippines and Tanzania. In terms of specific climate goals within the CDC portfolio, each fund manager and investee company must commit to the CDC's Investment Code through an investment undertaking. While there are no requirements at the investee level, the Investment Code requires that fund managers 'identify major risks and opportunities associated with climate change in investments and potential investments, and promote the application of international best practice standards in the reduction of GHG [greenhouse gas] emissions (IFC Performance Standards, UNFCCC etc.).'

At the company level, it is not possible to link investees to the five CDC funds that have the goals of 'producing green energy or cutting greenhouse gas emissions' and that are, therefore, identified as providing PCFS (see Annex 1). In addition, a review of the CDC's fund level investments finds that there is no information that is publicly available on the underlying investee companies, the value invested, their adherence (or not) to the CDC's Investment Code, or the 'Climate Change Guidance for Fund Managers' commissioned recently by the CDC. While such information may be available in the future, it is difficult to assess the PCFS against potential metrics of effectiveness, including the mix of renewables and clean energy vs. new fossil fuel based generation, the level of development of the countries in which recipients are located, and the level of local vs. foreign ownership of recipients without this information (which could also be provided anonymously or in an aggregated form) . This current lack of public information at the company level limits the scope for analysis and potential lesson learning from CDC's PE experience, particularly in terms of the approaches that are most effective based on a given country context.

Efforts are being made to fill this gap in information, as the CP3 Programme is to publish data on key indicators at the sub-fund and investee company level including megawatts (MW) of installed capacity, GHG emissions, and jobs created.[8] The CDC has also committed recently to 'publish more data on the businesses where its capital is at work, its fund managers, and the funds investing its capital, while observing the constraints of the Data Protection Act, and commercial confidentiality'. Achieving this balance between commercial confidentiality and the disclosure demanded of public funds has been identified as a challenge for CDC. Similarly, from the perspective of PCFS, this will present challenges for the assessment of the effectiveness of climate finance in the mobilisation of the private sector. As such, a business as usual approach may not be consistent with further elaboration of the criteria for climate finance or a future framework for assessing and reporting on the use of public funds to mobilise the private sector. These experiences offer valuable insights that may help inform the approach taken by the UK in the selection of funds and projects (see Annex 1, interventions 6-9 and 12).

Piloting innovative financing and business models

Beyond the use of PE funds, the UK is researching and piloting a series of innovative instruments and approaches to help private enterprises overcome the barriers to investment in low carbon projects in developing countries. These interventions are managed by a series of non-profit organisations and private public partnerships that run competitions and challenge funds, as well as trialling new instruments within the low carbon space.

In 2012 the UK-ADB Solar Guarantee partnership was announced, under which the ICF will provide grants to increase private investment in clean energy projects, with an initial focus on solar projects in India. The grant funding from the UK will reduce the cost of guarantees provided by the ADB to participating commercial lending institutions in its Partial Credit Guarantee Facility (among others), by covering an agreed portion of fees (DECC, 2012a). It is anticipated that private investment will be mobilised both through this direct support, and more widely through demonstration effects

The UK also supports private companies in East Africa through the Africa Enterprise Challenge Fund, including through the Renewable Energy and Adaptation to Climate Technologies (REACT) Window (see Annex 1, intervention 10). The PCFS provided through REACT seeks to mobilise capital from local companies and financial institutions, requiring applicants to provide funding equal to or greater than 50% of the total cost of the project. Another DFID-funded initiative, the Global Village Energy Partnership (GVEP), is also carrying out a series of innovative business plan challenge competitions for mitigation entrepreneurs and businesses in developing countries (see Annex 1, intervention 13). The pioneering approaches of the GVEP IDEAS Energy Innovation Contests in the Caribbean include the incorporation of a payment on performance element, with no deployment of PCFS until projects and businesses achieve a series of agreed milestones, and realistic metrics for failure across the portfolio of projects receiving PCFS.[9]

In the Caribbean the UK's PCFS is being deployed through micro-insurance, another instrument that has been applied in other sectors, but that is now being directed to support adaptation to climate change. The UK has provided PCFS to the Micro-insurance Catastrophe Risk Organisation (MiCRO), which aims to protect entrepreneurs in Haiti in the aftermath of natural catastrophes, including weather events related to climate change (see Annex 1, intervention 14).

The UK has also been involved in support for the development of carbon projects and carbon market infrastructure through the work of the Climate Change Projects Office in 2010 and 2011 (prior to its closure), and through the on-going work of the UK Carbon Trust, and UK Trade and Investment's (UK TI) promotion of UK low carbon service expertise in Brazil, China and India. The most recent business plan of the Export Credits Guarantee Department (ECGD) has also emphasised that it will 'continue to raise awareness of the support that it can offer to exporters in the low carbon technologies and renewable energies sectors', but there is, at present, no PCFS provision by ECGD (ECGD, 2011). This lack of activity on the part of ECGD may stem from lack of demand, as the UK has a limited manufacturing base of clean technologies at present.

Finally, DFID has also explored the use of Advanced Market Commitments (AMCs) in the climate change space. AMCs are innovative market-pull instruments that have been used in the field of medicine to reduce the cost of vaccines for developing countries. The DFID offices in Nepal and Rwanda examined how the AMC model could be used to support low carbon, climate resilient technologies and overcome barriers to investment. Examples of potential recipients identified for support included the roll-out of green mini-grids in remote areas that are unlikely to be connected to the central electricity grid; medium-scale deployment of bio-gas for schools and hospitals; and guarantees to private developers of large-scale, grid-connected renewable energy projects in Africa. The AMC approach has yet to be implemented, but it may have contributed to DFIDs overall approach to PCFS, including the recently announced Results Based Financing Facility (DFID, 2012e).

There is little information that is publicly available about the deployment of these funding models, as many are in their early stages, and this limits assessment of their effectiveness. In considering their role in mobilising the private sector it will be important to understand if (or how) their application has allowed recipients to overcome barriers and attract private sector investment.

Supporting an enabling policy environment for private investment

In addition to the initiatives that target the private sector directly, and that are therefore categorised here as PCFS, the UK is also undertaking a number of programmes to support policy-makers in developing countries. These aim to strengthen the overarching investment climate within developing countries, and facilitate the establishment of policies and regulations to support low carbon investments and transform markets as required to attract private investment (Figure 1 – indirect policy interventions leading to mobilisation of flow 5).

At the international level, the Capital Markets Climate Initiative (CMCI), a public-private initiative convened by the UK's DECC has sought to 'support the scale up of private finance flows for low carbon technologies, solutions and infrastructure in developing economies' (DECC, 2012b). CMCI's work is divided into two work streams, the first on 'principles for policy-makers' which is led by Anglia Ruskin University, and the second on 'fostering partnerships with developing country governments', chaired by the World Economic Forum (WEF). One of the first initiatives of the WEF-led work stream has been to convene public and private sector actors to discuss the challenges and possible solutions to financing solar projects under India's National Solar Mission. While there is little public information on the CMCI's findings and outputs, it can be assumed that the results of this work are relevant for a range of providers of PCFS, and across a wide range of countries.

At the national level in developing countries, the UK is working with policy-makers on the role of the private sector in climate finance through its Climate Development and Knowledge Network, supporting partnership development and capacity building in Carbon Capture and Storage, and building technical and institutional capacity in market instruments for mitigation through the multilateral Partnership for Market Readiness. DFID is also working on low carbon policy development with governments across LMICs and LICs. Examples include the Strategic Climate Institutions Programme in Ethiopia where the UK is supporting the development of a national investment plan on climate change including work on 'Climate Resilient Green Economy'; and the Papua Low Carbon Development Task Force through which the Indonesian province is receiving technical assistance to provide continued support entrepreneurs on low carbon investment proposals.

Working with the IFC, the UK has supported research into new mechanisms for climate finance, such as Forest Backed Bonds, a Carbon Efficient Index to incentivise listed companies in emerging markets to disclose and reduce their carbon footprints, and public private equity partnerships leading to the establishment of CP3 Programme. The UK has also supported analysis behind the development of Climate Innovation Centres, and the business plans for the first centre in Kenya.

Finally, UK is also the main donor to the Renewable Energy and Energy Efficiency Partnership (REEEP) a non-profit initiative that seeks to accelerate low carbon development by funding small-to-medium scale projects and other activities that address the main barriers to clean energy. REEEP's interventions focussed on the private sector in developing countries include support for the E+Co West Africa Modern Energy Fund for small and medium sized enterprises in clean energy in Ghana, Mali and Senegal, and the expansion of the Private Financing Advisory Network, a coaching and investor matchmaking service for small clean energy entrepreneurs, to include Mozambique and Uganda. REEEP also funds a range of activities to strengthen national policy, regulatory and financing frameworks to increase private sector investment in renewable energy and energy efficiency across a range of countries, with a particular focus on Brazil, China, India, Mexico and South Africa.

A number of these initiatives are still in their early stages and have a strong focus on public sector actors. Monitoring and evaluation efforts over the longer term should consider the impact of these interventions on PCFS in recipient countries, and the mobilisation of private investment in climate compatible development more generally.

Conclusions

The UK has played a central role in initiating a number of important programmes to support private sector action on climate change. Many of these programmes remain in their early stages, and their innovative elements will need to be monitored and evaluated over time as implementation proceeds. This Background Note presents an early effort to synthesise information on these initiatives to advance global understanding of the different ways in which public finance is being used to mobilise private sector action on climate change.

In undertaking the research for this paper, we have observed that it is often difficult to find information on PCFS in the public domain. More specific information on how PCFS is being disbursed at the project and investment level would help to inform analysis of the effectiveness of national PCFS contributions, and apply specific lessons learned to the design of future interventions. The collection of such information would be an appropriate priority for the emerging monitoring and evaluation of climate change finance.

Achieving the delicate balance between commercial confidentiality and the disclosure required of public funds is a challenge that will face all actors deploying PCFS, as their stakeholders seek to achieve both private financial and public 'goods' goals in addressing climate change. Parties to the UNFCCC have yet to adopt a common reporting framework for climate finance, and the adoption of such a framework might allow more complete, comparable, and transparent assessment of the provision of climate finance. If progress is made in agreeing such a framework, there is likely to be a need to consider whether and how to private finance should be included, given that some countries, such as Japan, already include private finance in their climate finance reporting.

This initial analysis has highlighted the following trends from the UK's PCFS, with some general lessons and implications for international climate finance:

- Intermediaries (both public and private) manage all of the UK's PCFS, and much of this is channelled through 'funds of funds' (both private and public). This has benefits in terms of crowding in co-financing by other public and private sector actors and has the potential to create local ownership and capacity development. Each of these intermediaries has tended to take quite different approaches to public reporting on goals and outcomes, and the level of information that is publicly available varies. Private equity firms, in particular, have tended to disclose relatively little information to the public on the particular projects and recipients that they are financing, for a variety of reasons that relate to both business confidentiality and regulatory restrictions, which may make it difficult to understand the impact of PCFS.
- There is a wealth of experience within the UK Government of working with the private sector – including through private equity investment in the CDC. While climate compatible development is not central to this institution's mandate, our review suggests that there are a number of investments that are likely to offer climate change benefits in their portfolios. Where information is available on the mix of public and private finance in funds such as those managed by the Private Infrastructure Development Group (PIDG), we find that the share of developed country private investment linked to PCFS is, in fact, quite small (17% in the case of the Emerging Africa Infrastructure Fund (see Annex 1, intervention 12). New initiatives such as CP3 Asia, CCF, and CMCI have sought to find new approaches that will bring greater volumes and proportions of private finance into climate compatible development. It remains to be seen whether these approaches will attract more private investment than past efforts.
- On the basis of the specific projects and investments that could be identified, 81% of the UK's PCFS is targeted toward mitigation programmes and projects, with less than 1% directed specifically to adaptation activities. It is unclear at what level (global, donor, recipient, or flow) the balance between mitigation should be achieved under the UNFCCC agreements. However this early review suggests that PCFS

flows to adaptation activities may be limited at present. This may be a result, in part, of the current challenges in defining what constitutes adaptation interventions and the implications this has for an understanding of the specific contributions that can be made by the private sector. Similarly, many countries are still at the relatively early stage of identifying and incorporating climate related risks and vulnerabilities into their national planning processes. Private sector investments in adaptation are likely to be better understood as these progress.

- The majority of PCFS is directed to activities in upper middle-income countries. It is likely that this focus stems from the greater opportunities that exist to invest in mitigation in these countries, the existence of a policy and regulatory environment that fosters private investment more easily, and a reasonable level of readiness to absorb finance. Only 7% of the PCFS identified is spent on activities in low-income countries. This initial trend may evolve over time, and should be monitored as programme implementation proceeds and evolves.

Further reviews of the PCFS interventions of Japan, the US, and Germany seek to provide further evidence relevant to the issues and questions that have emerged in the context of this review of the UK's PCFS.

Written by Shelagh Whitley, ODI Research Fellow (s.whitley@odi.org.uk), Amal Lee Amin, Programme Leader E3G (amal-lee.amin@e3g.org, and Rohan Mohanty (rohan@mohanty.co.uk). The authors are grateful for support and advice from Neil Bird and Smita Nakhooda of ODI, and Kirsty Hamilton of the Renewable Energy Finance Project at Chatham House. ODI gratefully acknowledges the support of DFID in the production of this Background Note.

References and endnotes

References

ADB (2010) *Proposed Equity Investments Clean Resources Asia Growth Fund and Renewable Energy Asia Fund: Report and Recommendation of the President to the Board of Directors*. Manila: Asian Development Bank November. http://www.adb.org/Documents/RRPs/REG/44926-01-reg-rrp.pdf

CDC (2011a) *Investee Businesses*. London, 26 May. http://www.cdcgroup.com/uploads/final-cdcinvesteebusinessesvs2.pdf

CDC (2011b) *CDC to invest more in green energy in developing countries*. London, 11 February. http://www.cdcgroup.com/uploads/11february2011.pdf

DECC (2012a) Intervention Summary: UK-ADB Private Sector Guarantee partnership. London: Department of Energy and Climate Change. http://www.decc.gov.uk/assets/decc/11/tackling-climate-change/international-climate-change/4781-business-case-for-india-solar-power-generation-gua.pdf

DECC (2012b) Capital Markets Climate Initiative (CMCI). http://www.decc.gov.uk/en/content/cms/tackling/international/cmci/cmci.aspx

DFID (2012a) *Project Summary: IDEAS Energy Enterprise Innovation Contest for the Caribbean*. http://projects.dfid.gov.uk/iati/Document//3277130

DFID (2012b) Insurance for Micro Finance in Haiti (FONKOZE). http://projects.dfid.gov.uk/project.aspx?Project=202172

DFID (2012e) *Andrew Mitchell: Climate change - delivering on our commitments*. London: Department for International Development, 26 April. http://www.dfid.gov.uk/News/Speeches-and-statements/2012/Andrew-Mitchell-Climate-change---delivering-on-our-commitments/

DFID (2011a) *Multilateral Aid Review: Ensuring maximum value for money for UK aid through multilateral organisations*. London: Department for International Development, March. http://www.dfid.gov.uk/Documents/publications1/mar/multilateral_aid_review.pdf

DFID (2011b) *Project Summary: IDEAS Energy Enterprise Innovation Contest for the Caribbean*. London: Department for International Development. http://projects.dfid.gov.uk/project.aspx?Project=201986

DFID, DECC and DEFRA (2011) UK Fast Start Climate Change Finance: Providing help to the poorest to adapt to climate change and promoting cleaner, greener growth. London: Department for International Development, Department of Energy and Climate Change, Department for Environment, Food and Rural Areas. http://www.decc.gov.uk/assets/decc/11/tackling-climate-change/international-climate-change/3758-uk-fast-start-climate-finance-brochure-2011.pdf

DFID and DECC (2010) *UK Fast Start Finance in Action: Mobilising the Private Sector to Benefit the Poor*. London: Department for International Development and Department of Energy and Climate Change.

ECGD (2011) *ECGD Business Plan 2011-2015*. London. http://www.ukexportfinance.gov.uk/assets/ecgd/files/publications/plans-and-reports/business-plans/ecgd-business-plan-2011-to-2015.pdf

Stadelmann, M., Castro, P., and Michaelowa, A. (2011) *Mobilising Private Finance for Low Carbon Development: Tackling Barriers to Investments in Developing Countries and Accounting of Private Climate Finance Flows*. Cambridge: Climate Strategies.

UNFCCC (2010) *Report of the Conference of the Parties on its fifteenth session, held in Copenhagen from 7 to 19 December 2009*. http://unfccc.int/resource/docs/2009/cop15/eng/11a01.pdf

Endnotes

1. Within the definition of PCFS, 'private sector participation' includes both private sector investment and private sector provision of goods and services.
2. For the purpose of this research PCFS for a given country also excludes all co-financing by other public sector actors (other countries).
3. Future research will look more closely at the nature of these various flows.
4. The Climate Investment Funds consist of two funds: the Clean Technology Fund and the Strategic Climate Fund, with the latter comprised of three sub-funds: the Pilot Programme on Climate Resilience, the Forest Investment

References and endnotes cont.

Programme, and the Scaling Up Renewable Energy Programme (SREP). The UK has also contributed to the SREP, which has a mandate to mobilise the private sector, but has not yet deployed finance to or alongside private sector actors.

5. The UK's Presidency of the G8 in 2005 marked the beginning of a focus on the role of the MDBs in the mobilisation of finance to assist developing countries with investments related to clean energy and climate change. The MDBs responded through individual and joint initiatives to mainstream climate change within their operations and for through an increase in investments related to climate change within their portfolios.
6. The lack of an agreed UNFCCC definition of what constitutes climate finance for either mitigation or adaptation further complicates any accurate assessment of whether PCFS is meeting these broad UNFCCC criteria.
7. The ADB is one funder that has been transparent about its experience in the clean energy private equity space. In discussing its parallel investment to the CDC in the Renewable Energy Asia Fund (REAF) (see Annex 1) the ADB emphasised the level of resources that are required by a funder at the design phase: 'it takes time and effort to incubate first-time emerging markets funds in a challenging fund-raising environment, particularly where the ADB wants to help develop a new asset class, such as clean energy funds in emerging Asian markets' (ADB, 2010).
8. Correspondence with DFID staff.
9. DFID considers that its contribution to the IDEAS Energy Enterprise Innovation Contest for the Caribbean will be a success if at least 65% of the ventures supported are able to sustain and grow their businesses beyond the life of the intervention, 'a metric which is almost double the expected success rate of new small and medium enterprise (SME) ventures after 3-4 years' (DFID, 2011b).

Annex 1: UK's Private Climate Finance Support (PCFS) Identified for 2010 – May 31 2012

No.	UK entity (and PCFS announced / committed, disbursed or deposited)	Financial instrument (from UK entity) and year	Intermediary	Financial instrument (from intermediary)	Developed country private sector funders and supporters (and PCFS provided)	Other funders (public co-financing and developed country investment)	Recipient entities / countries	Sector(s)	Fund target size (million US$)	Total UK PCFS (million US$)
1	ICF and ETF ($314 m contribution to approved private sector projects) DFID's funding is 20% of those deposited to CTF ($610 m).	Capital Grant (Any returns on contributions from the UK to the CTF are used to finance further lending, rather than returning to the UK) - 2010	Clean Technology Fund (CTF)	Grants, concessional loans, and guarantees	$238 m (Proportion of private sector contribution that can be attributed to the UK) Total contribution identified: $1,168 m	Public Deposited funds from Japan $787 m, Germany $615 m, US $485 m, France $274 m, Australia $86 m, Spain $69 m, Sweden $67 m (Total funds approved by Trust Fund Committee which have a private sector component is $1,692 m)	The CTF disburses in lump sums to Multilateral Development Banks (MDBs) which then disburse on to both private and public projects. Approved private sector projects (where end recipients of funding are private actors): Mexico (5), Khazakstan (3), South Africa (3), Turkey (2), Thailand (2), The Philippines (2), Colombia, Indonesia, Ukraine, Egypt, and Viet Nam.	Demonstration of low carbon development and mitigation of GHG emissions through public and private sector investments	11,000	552.00
2	ICF ($96 m announced and committed) (under the CP3 Programme)	Equity (the UK will recycle the commercial returns from its investments into ODA) - 2012	Climate Public Private Partnership Asia (CP3 Asia) - A limited liability company to be incorporated in a jurisdiction satisfactory to ADB and UK)	Equity, debt, and grants	To be determined (the UK anticipates at least £30 in private debt and equity will be mobilised at the various levels of sub-funds and projects for every £1 of UK contribution)	Public Asian Development Bank (ADB) $98 m. As at May 31 2012 the fund manager was in the process of fund raising from private and public sector	Fund that will invest in the developing member countries of the ADB (Asia).	Climate and environment sectors	tbd	96.00
3	ICF ($80 m announced and committed) (under the CP3 Programme)	Equity (the UK will recycle the commercial returns from its investments into ODA) and Grant for Technical Support Facility - 2012	IFC AMC Climate Catalyst Fund - Scottish Fund	Equity	To be determined (the UK anticipates at least £30 in private debt and equity will be mobilised at the various levels of sub-funds and projects for every £1 of UK contribution)	Public International Finance Corporation (IFC) $75 m. As at 31 May 2012 the fund was in the process of fund raising with the private and public sector	Private equity providing growth capital in emerging markets (Global)	Climate and environment sectors	tbd	80.00

Annex 1: cont'd

No.	UK entity (and PCFS announced / committed, disbursed or deposited)	Financial instrument (from UK entity) and year	Intermediary	Financial instrument (from intermediary)	Developed country private sector funders and supporters (and PCFS provided)	Other funders (public co-financing and developed country investment)	Recipient entities / countries	Sector(s)	Fund target size (million US$)	Total UK PCFS (million US$)
4	ICF ($24 m announced and committed) (under the CP3 Programme)	Grant for Technical Assistance Facility - 2012	IFC and ADB	Grant and loans	n/a	n/a	Support the development of the subfund, project pipeline and enabling environments for the Climate Public Private Partnership Programme.	Climate and environment sectors	tbd	24.00
5	ICF ($9.6 m announced and committed)	Grant	UK-ADB Private Sector Guarantee Partnership	Guarantee	To be determined	Public ADB Partial Credit Guarantee (PCG) Facility up to $150 m	To increase uptake of ADB risk guarantee facilities for solar power plants in India. This will be achieved by reducing the cost of the guarantees to participating commercial lending institutions.	Clean energy projects	N/A (guarantee facility)	9.60
6	CDC ($50 m disbursed)	Equity - 2010	GEF Africa Sustainable Forestry Fund (GEF ASFF) - The Global Environment Fund (GEF) (US)	Equity	N/A (private investors may have invested in the fund, however this information is not publicly available)	Public MAEC (Spain) $19.8 m, IFC $24 m, PROPARCO $12 m, and SIFEM $12 m (balance of investors could not be identified through publicly available information)	Invest in and develop between five and 10 forestry businesses across Africa (Mozambique, Tanzania, Swaziland, South Africa, Uganda, Ghana, Malawi and Zambia), with a particular focus on greenfield and existing plantation developed under Forestry Stewardship Council certification and IFC Performance Standards on Environment and Social Sustainability.	Forestry	160 (fund closed)	50.00
7	CDC ($30 m disbursed)	Equity - 2011	Interact Climate Change Facility - (ICCF) Interact Climate Change Facility S.A. (Luxembourg)	Equity	N/A	Public Agence Française de Développement (AFD) Cotonou Investment Facility up to $120 m, European Investment Bank (EIB) up to $60 m, eleven European Development Finance Institutions (EDFI) members: BIO, DEG, FMO, COFIDES (Spain), FINNFUND (Finland), Norfund (Norway), OeEB (Austria), PROPARCO (France), SIFEM (Switzerland) and SWEDFUND (Sweden) up to $150 m	Demonstrate the financial attractiveness of climate-friendly private sector projects in developing countries (Global)	Renewable Energy and Energy Efficiency	360 (fund closed)	30.00
8	CDC ($6 m disbursed)	Equity - 2011	Renewable Energy Asia Fund (REAF) - Berkley Energy (UK)	Equity	Calvert Investments (US), Sarona Asset Management (Canada)	Public OPIC ($62 m) ADB ($20 m), GEEREF (Global Energy Efficiency and Renewable Energy Fund - with funding by the European Union) ($15 m), German Investment and Development Company (DEG), Dutch Development Bank (FMO) ($12 m), Belgian Investment Company for Developing Countries (BIO) ($7.2 m)	Investments of between $6 m and $18 m in India with additional target markets including Philippines, Sri Lanka, Thailand and Viet Nam.	Development stage renewable energy projects and technology	187 (fund closed)	6.00

No.	UK entity (and PCFS announced / committed, disbursed or deposited)	Financial instrument (from UK entity) and year	Intermediary	Financial instrument (from intermediary)	Developed country private sector funders and supporters (and PCFS provided)	Other funders (public co-financing and developed country investment)	Recipient entities / countries	Sector(s)	Fund target size (million US$)	Total UK PCFS (million US$)
9	CDC ($12 m disbursed)	Equity - 2011	DI Frontier Market Energy & Carbon Fund - Frontier Investment Management (Denmark)	Equity, mezzanine capital (e.g. convertible debt or preferred shares), carbon credit prepayment, and short term debt financing	Tryg ($9 m) and PFA Pension ($180,000)	Public GEEREF ($12 m), PensionDanmark ($9.4 m), Seed Capital Assistance Facility ($1 m), Danish Industry Foundation ($900,000), Investment Fund for Developing Countries (IFU) and Foundation for African Business and Customer Services (FABCOS)	Renewable energy and energy efficiency projects that contribute to reducing GHG emissions in Kenya, Tanzania, Uganda, Zambia, Mozambique and South Africa.	Renewable Energy and Energy Efficiency	72 (fund closed)	21.00
10	DFID ($16 m disbursed)	Grant - 2010	Africa Enterprise Challenge Fund, (AECF) Renewable Energy and Adaption Climate Technologies (REACT) Window - KPMG Development Advisory Services (Kenya)	Grants and interest free loans of $250,000 to $1.5m per project. Recipients must match funding with an amount equal to or greater than 50% of the total cost of the project	N/A	Public Danish International Development Agency (DANIDA) (contribution could not be confirmed)	Private companies in Burundi, Kenya, Rwanda, Tanzania and Uganda	Clean energy and climate change technologies (mitigation and adaptation)	50	16.00
11	DFID ($7 m disbursed, $44.2 m announced and committed)	Grant - 2010	Energy and Environment Partnership with Southern and East Africa (EEP) (South Africa)	Grants for feasibility studies and pilot / demonstration projects. The maximum grant allocated to a project will be €200k and all recipients are required to provide some level of contribution.	N/A	Ministry of Foreign Affairs Finland ($10.2 m) and the Austrian Development Agency ($1.2 m)	Private companies, research institutions, not-for profit organizations, NGOs and other institutions from the public and private sector in Botswana, Kenya, Mozambique, Namibia, South Africa, Swaziland, Tanzania and Zambia.	Renewable Energy and Energy Efficiency	N/A programme budget	7.00
12	DFID ($3.9 m disbursed)	Equity - 2010	Emerging Africa Infrastructure Fund (EAIF) - PIDG (UK)	USD and EUR loans to private companies (or soon to be privatised companies) for greenfield projects or for refurbishment, upgrade or expansion of existing facilities.	Contibutions to EAIF linked to PCFS: Barclays Bank PLC (17%, $5.3 m)	Public At PIDG Trust Fund level: DGIS, FMO, Sida, IFC/ World Bank, SECO, ADA, Irish Aid, KFW, and AfDB (total 50% $3.9 m). At EAIF level: FMO, DBSA, DEG, KfW, IFC, AfDB and OeEB ($13.6 m) At project level: FMO, BIO, and AfDB ($66.25 m for KivuWatt) and FMO, DEG and Finnfund ($18 m for SEAMS). Developed Country Private Standard Bank of South Africa Ltd. (15%, $4.6 m)	Not all of EAIF's investments are linked to PCFS, those considered are KivuWatt (Rwanda) ($25m) and South Asia Energy Management Systems LLC (SAEMS) second round (Uganda) ($6m)	Renewable Energy (methane capture and power generation, run of river hydro)	115 (total for two investment)	9.20
13	DFID ($2.4 m disbursed)	Grant - 2010	Global Village Energy Partnership (GVEP) (UK)	Loan Guarantees (for lenders to small businesses), Debt, Equity, Grants, and Training (to improve financial institutions knowledge of, and appetite for the small business energy sector)	Barclays Bank	Public Inter-American Development Bank (IDB), World Bank, USAID, Dutch Ministry of Foreign Affairs (DGIS), Garfield Weston Foundation and the EU ($2 m in total)	Local businesses in Africa, Latin America, and Caribbean to increase access to modern energy.	RE	N/A programme budget	2.40

No.	UK entity (and PCFS announced / committed, disbursed or deposited)	Financial instrument (from UK entity) and year	Intermediary	Financial instrument (from intermediary)	Developed country private sector funders and supporters (and PCFS provided)	Other funders (public co-financing and developed country investment)	Recipient entities / countries	Sector(s)	Fund target size (million US$)	Total UK PCFS (million US$)
14	DFID ($1.6 m disbursed)	Grant - 2011	Micro Insurance Catastrophe Risk Organisation (MiCRO) (Barbados)	Micro insurance	Swiss Re, Caribbean Risk Managers Ltd (CaribRM), and Guy Carpenter and Company (providing technical support)	Public Swiss Agency for Development and Cooperation (SDC) and the Caribbean Development Bank (CDB) (contributions from these entities could not be confirmed)	Insurance for Micro Finance in Haiti (FONKOZE) insures low-income entrepreneurs so that their businesses do not collapse after disasters.	Adaptation	N/A company budget	1.60
15	DFID ($1.2 m disbursed)	Grant - 2010	Indonesia Green Investment Fund (IGIF) - Pusat Investasi Pemerintah (PIP) the Sovereign Wealth Fund of the Government of Indonesia	The IGIF will provide concessional financing for projects in which commercial private lenders seek an additional injection of equity, or concessional debt.	Goal in 2010 was to attract funding from institutional investors (it is not clear if this has been achieved)	Public Government of Indonesia ($400 m) and other bilateral and multilateral funders (contributions from these entities could not be confirmed)	Develop scalable low-carbon business models and pipelines of investment-grade projects in Indonesia.	Low carbon businesses	1,000	1.20

Annex sources:

Berkley Energy (2012) http://www.berkeley-energy.com/index.php?page=reaf

Belgian Investment Company for Developing Countries (BIO) (2010) *Financing Development: Corporate Newsletter*, February. http://www.bio-invest.be/en/component/downloads/downloads/24.html

Brown, J. and Peskett, L. (2011) *Climate Finance in Indonesia: Lessons for the Future of Public Finance for Climate Change Mitigation*. EDC 2020 Working Paper. Bonn: European Association of Development Research and Training Institutes (EADI)

Business World (2012) *ADB mulling funding for PPP projects*. Manila, 4 March http://www.bworldonline.com/content.php?section=Economy&title=ADB-mulling-funding-for-PPP-projects&id=47773

CDC (2011c) *European development finance institutions join forces to fight climate change*. February 25 2012. Luxembourg, Paris and Brussels: CDC, 25 February. http://www.cdcgroup.com/uploads/28february2011.pdf

CDC (2010) *CDC backs the first sustainable forestry fund for Africa*. London: CDC, 2 June. http://www.cdcgroup.com/uploads/02june2010.pdf

Clean Technology Fund (2011) Projects. http://www.climateinvestmentfunds.org/cif/current_information_documents

Climate Funds Update (2012) http://www.climatefundsupdate.org

DFID (2012c) Global Village Energy Partnership (GVEP). http://projects.dfid.gov.uk/project.aspx?Project=112589

DFID (2012d) *Private investment to help tackle climate change*. London: Department for International Development, 27 January. http://www.dfid.gov.uk/News/Latest-news/2012/Private-investment-to-help-tackle-climate-change/

Energy and Environment Partnership with Southern and East Africa (EEP) (2012) http://www.eepafrica.org/

Emerging Africa Infrastructure Trust Fund (2011a) *EAIF and ContourGlobal sign loan agreement for Phase 1 of the KivuWatt Electricity Project in Rwanda*. London. http://www.emergingafricafund.com/news/eaif-signs-kivu-watt.aspx

Emerging Africa Infrastructure Trust Fund (2011b) *EAIF signs 2nd loan facility with SAEMS*. London. http://www.emergingafricafund.com/news/saems-ii.aspx

Fast Start Finance (2011) *Contributing Countries: Spain*. Amsterdam, 26 November. http://www.faststartfinance.org/contributing_country/spain

Frontier Investment Management (2012) *Investment Strategy*. http://www.frontier.dk/fund/investment-strategy

Frontier Investment Management (2011) *Newly launched investment fund to invest in renewable energy in Africa*. Copenhagen, 1 September. http://www.frontierim.dk/wp-content/uploads/2011/09/FIM-Press-Release-DI-Frontier-Market-Energy-Carbon-Fund-2011-09-01.pdf

Global Village Energy Partnership (GVEP) (2012) http://www.gvepinternational.org/

Global Village Energy Partnership (GVEP) (2011) *GVEP Annual Review 2010-2011*. http://www.gvepinternational.org/sites/default/files/gvep_annual_review_final.pdf

IFC (2012) Advisory Program Supported by DFID: End of Program Report. Washington, DC: International Finance Corporation, March.

IFC (2012) *IFC, UK Government Invest in IFC Climate Catalyst Fund for Green Projects*. Washington DC: International Finance Corporation, 27 January. http://www.ifc.org/IFCExt/pressroom/IFCPressRoom.nsf/0/7C6F129C88D9CAED85257992003055EB

IFC (2010) *GEF Africa Sustainable Forestry Fund, L.P.: Summary of Proposed Investment*. Washington DC: IFC, 29 April. http://www.ifc.org/ifcext/spiwebsite1.nsf/ProjectDisplay/SPI_DP29221

Jakarta Globe (2010) *Indonesia Readies $1b 'Green' Fund to Spur Clean Investments, Reduce Emissions*. Jakarta, January 27. http://www.thejakartaglobe.com/home/indonesia-plans-1-billion-green-investment-fund/354921

MiCRO (2012) *Stakeholders*. Barbados, 3 March. http://www.microrisk.org/stakeholders.htm

Microfinance Africa (2010) *Canadian Impact Investment Fund makes first impact investments*, 25 May http://microfinanceafrica.net/tag/renewable-energy-asia-fund/

Annex sources cont.:

Private Equity Africa (2012) *GEF fund closes above target*. London: Private Equity Africa, 10 January. http://www.privateequityafrica.com/funds/gef-fund-closes-above-target/

PROPARCO (2011) *PROPARCO supports sustainable forest management in Africa*. Paris: PROPARCO, 19 July. http://www.proparco.fr/lang/en/Accueil_PROPARCO/Publications-Proparco/News_PROPARCO/ctnscroll_ActualitesList/6_30

SIFEM (2011) *SIFEM invests USD 10m in the GEF Africa Sustainable Forestry Fund*. Bern: Swiss Investment Fund for Emerging Markets, 1 September. http://www.sifem.ch/about/news/

VCCIRCLE (2011) *OPIC Commits $198M to Two India-Focused Clean Energy Funds*. Delhi, 30 June. http://www.vccircle.com/500/news/opic-commits-198m-to-two-india-focused-clean-energy-funds

UKaid
from the British people

This Background Note has been funded by UK aid from the UK Government, however the views expressed do not necessarily reflect the UK Government's official policies.

Overseas Development Institute, 111 Westminster Bridge Road, London SE1 7JD, Tel: +44 (0)20 7922 0300, Email: publications@odi.org.uk. This and other ODI Background Notes are available from www.odi.org.uk.

 ISSN 1756-7610.